Labour Market

NOTES ■ June 2013

Alberta and Canada post strong employment gains

Alberta

- Employment surges for second straight month. Alberta added 18,600 jobs in May, marking the fourth increase in employment this year and the largest one-month increase in nearly two years. May's increase was solely due to gains in private sector jobs (+25,600) as public sector employment fell (-6,900). Alberta has gained 48,800 jobs since May 2012, representing a 2.3% increase.
- Service sector drives job growth. The trade (+11,800) and professional, scientific and technical services (+7,200) industries contributed the most to the 22,900 surge in service sector employment gains. Employment in the goods-producing sector fell by 4,200 in May, reflecting a 3,400 decline in both the forestry, fishing, mining, oil & gas industry and the utilities industry.
- Unemployment rate increases as more people look for work. The unemployment rate moved up to 4.8 per cent in May, despite the impressive job gain. The increase was a result of 31,400 people joining the labour force, the second largest monthly increase on record.
- Weekly earnings continue to climb in March. Average weekly earnings increased to $1,111 in March. This is 4.6% higher than March of last year.

Canada

- Canadian employment records near record monthly gain. Canada added a massive 95,000 positions in May; however, the large gain follows a string of weak employment over the first four months of the year. Ontario (+50,600) posted its largest monthly gain in jobs on record, while Quebec (+20,100) and Alberta (+18,600) also contributed to the national increase. Four provinces posted declines. Canada has gained 250,200 jobs (+1.4%) since May 2012.
- Unemployment rate edges down. The Canadian unemployment rate edged down by 0.1 percentage points to 7.1% in May.
- Weekly earnings increase. Canadian average weekly earnings moved up to $915 in March, representing a 3.1% gain over March 2012.

For definitions of the data indicators discussed in this publication, please see the second page of August's Labour Market Notes

Employment Growth by Province, May 2013 vs. May 2012

Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	May or Latest*
Employment	2,701,300
month-over-month change	18,600
year-over-year % change	2.3%
Alberta Unemployment Rate (UR)	4.8%
Edmonton UR**	4.5%
Calgary UR**	4.9%
Participation Rate	73.3%
Average Weekly Earnings (AWE)	$1,111.20
year-over-year % change	4.6%
Average Hourly Wage	$27.59
year-over-year % change	5.6%
Job Vacancy Rate**	2.5%

Source: Statistics Canada

* All data is from the Labour Force Survey for May except AWE, which is from the March Survey of Employment, Payrolls and Hours (SEPH), and the job vacancy rate from February.

** This indicator is calculated as a three-month moving average.

Recent Trends in Alberta's Unemployment Rate:
an Industry Perspective

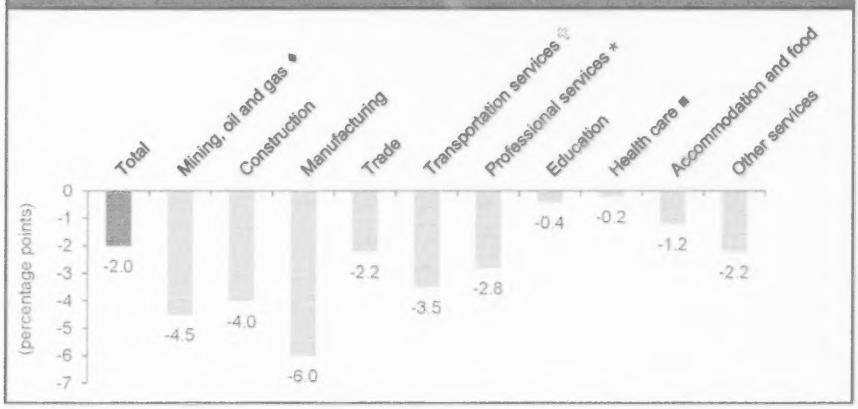
Alberta's unemployment rate has moved sharply lower since the recession and now sits second lowest among the provinces. This month's Labour InSight looks at the unemployment rate at the industry level, including an analysis of industries that have seen the largest declines in their rates since Alberta's annual unemployment rate peaked in 2009.

Alberta's unemployment rate trends lower

The province's unemployment rate has fallen from a high of 7.5% in April 2010 to 4.8% in May 2013. On an annual basis, Alberta's rate peaked in 2009 at 6.6% and then fell to a five-year low of 4.6% in 2012. Over the last twelve months the rate has stabilized to a healthy range of 4.4% to 4.8%. Canada's rate, on the other hand, has seen more moderate declines over the last three years, remaining at or above 7.0% since the recession. Alberta continues to have a significant impact on the national labour market: the 2012 unemployment rate is 7.6% when Alberta is removed compared with 7.2% when Alberta is included.

Note that the unemployment rate measures the number of unemployed divided by the labour force (sum of employed and unemployed individuals).

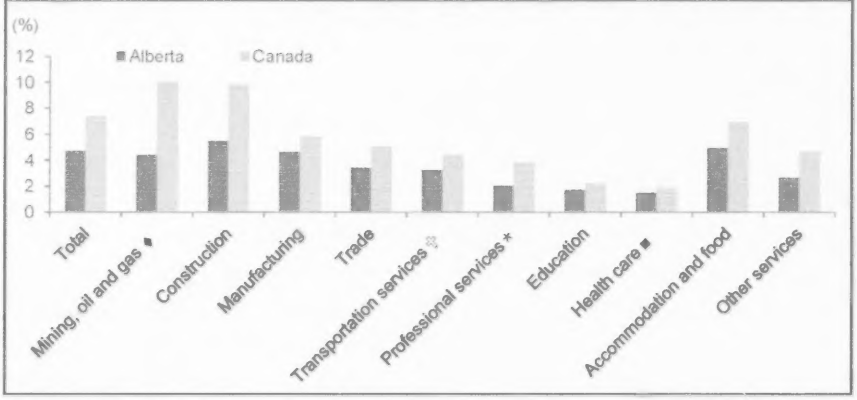
Chart 1: Alberta unemployment rate (change from 2009 to 2012)*



Source: Statistics Canada

* Statistics Canada excludes industries that have unreliable data and excludes individuals counted in unclassified industries. In this analysis, any industry with less than 100,000 individuals employed was also excluded.

Chart 2: Unemployment rate by industry (2013 year-to-date)**



Source: Statistics Canada

** See footnotes in chart 1 for explanation of which industries were excluded.

♦ Forestry, fishing, mining, quarrying, and oil & gas ■ Health care and social assistance
* Professional, scientific, and technical services ✠ Transportation and warehousing

Goods industries witness largest decline

The drop in Alberta's unemployment rate from the past recession was led by the three major industries in the goods sector (chart 1). Manufacturing had the largest drop in its rate between 2009 and 2012, followed by mining oil and gas and then construction. Within the services sector, transportation services saw the largest drop.

So far this year, Alberta's lower unemployment rate relative to the national rate has been broad-based across all major industries. The differences between rates is largest in the goods industries, particularly mining, oil and gas and construction. There is also a large gap between Alberta and Canada's unemployment rate in the professional services industry (chart 2).

While industry unemployment rates can vary depending on economic conditions, relative differences between industries tend to persist over time. Historically, education and health care are low unemployment rate industries, while construction and manufacturing tend to be industries associated with higher unemployment rates. As shown in chart 2, this pattern is true for both Alberta and Canada.

Conclusion

Alberta has seen its unemployment rate drop by a considerable amount since the recession, with goods industries seeing the largest decline in unemployment rates since 2009.

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